

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1822 - SB 1956**

February 8, 2014

**SUMMARY OF BILL:** Waives the required fee for any veteran electing to have their veteran status indicated on their driver license or photo identification card, when the veteran indication is processed any time other than the normally-scheduled renewal date.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue –**

**Exceeds \$8,000/Department of Safety/FY14-15 and Subsequent Years**

**Forgone State Revenue –**

**Exceeds \$240,000/Department of Safety/FY14-15**

**Exceeds \$160,000/Department of Safety/FY15-16**

**Exceeds \$80,000/Department of Safety/FY16-17 and Subsequent Years**

**Increase State Expenditures –**

**Exceeds \$217,800/Department of Safety/FY14-15**

**Exceeds \$145,200/Department of Safety/FY15-16**

**Exceeds \$118,800/Department of Safety/FY16-17 and Subsequent Years**

**Assumptions:**

- The effective date will be July 1, 2014.
- According to the Tennessee Department of Veteran Affairs 2012 Annual Report, there are 525,594 veterans residing in the state.
- The “Veteran” designation or symbol was implemented in spring 2013, with the implementation of the new issuance system.
- According to the Department of Safety and Homeland Security (DOS), since implementation, 4,368 driver licenses/photo IDs have been issued with the “Veteran” designation.
- DOS indicates that 2,236 of these designations were added by processing a duplicate transaction.

- The number of duplicate transactions in the current fiscal year (FY13-14) and in subsequent fiscal years is reasonably estimated to exceed 1,000 each year.
- DOS indicates the fee for processing a duplicate transaction is \$8.00 under current law.
- The recurring decrease in state revenue to DOS is estimated to exceed \$8,000 (1,000 minimum duplicate transactions x \$8.00 fee) per year beginning in FY14-15.
- Passage of this bill will incentivize other veterans to obtain the “Veteran” designation or symbol who would not otherwise want it under current law.
- Based on information provided by DOS, the number of additional veterans that will want the “Veteran” designation or symbol on their driver license or photo ID that will require duplicate transactions being processed is reasonably estimated to exceed 30,000 in FY14-15; exceed 20,000 in FY15-16; and exceed 10,000 in FY16-17 and subsequent years.
- Forgone state revenue is reasonably estimated to exceed \$240,000 (30,000 minimum x \$8.00 fee) in FY14-15; to exceed \$160,000 (20,000 minimum x \$8.00 fee) in FY15-16; and to exceed \$80,000 (10,000 minimum x \$8.00 fee) in FY16-17 and subsequent years.
- The cost of printing a new duplicative driver license or photo ID is \$2.64 (\$2.23 for the cost of the license or ID + \$0.413 for the cost of mailing).
- The increase in state expenditures for processing the additional duplicative licenses and photo IDs is estimated to exceed \$79,200 (30,000 minimum x \$2.64) in FY14-15; to exceed \$52,800 (20,000 minimum x \$2.64) in FY15-16; and exceed \$26,400 (10,000 minimum x \$2.64) in FY16-17 and subsequent years.
- DOS will require additional resources to handle the increased volume of veteran customers who will elect to receive the “Veteran” designation on their driver license or photo ID.
- The equivalent of three Driver License Examiner (DLE) positions will be required in FY14-15, and the equivalent of two such positions will be required in FY15-16 and subsequent years.
- DOS indicates that salary and benefits for one position is approximately \$40,000 per year. Other recurring expenditures associated with each position is estimated to be \$6,200 for training, supplies, uniforms, travel, etc. The total recurring expenditure for each position is estimated to be \$46,200 (\$40,000 + \$6,200).
- The increase in state expenditures to DOS for three equivalent DLE positions is estimated to be \$138,600 (\$46,200 x 3 positions) in FY14-15. It is estimated that DOS could reduce DLE positions from three to two in FY15-16 as the volume of requesting veterans is expected to decrease from 30,000 to 20,000 individuals. As a result, the recurring increase in state expenditures to DOS for two equivalent DLE positions is estimated to be \$92,400 [(\$40,000 + \$6,200) x 2 positions] in FY15-16 and subsequent years.
- The total increase in state expenditures for DOS in FY14-15 is estimated to exceed \$217,800 (\$79,200 + \$138,600); the total increase in state expenditures for DOS in FY15-16 is estimated to exceed \$145,200 (\$52,800 + \$92,400); the total recurring increase in state expenditures for DOS in FY16-17 and subsequent years is estimated to exceed \$118,800 (\$26,400 + \$92,400).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a more compact, stylized manner, followed by "D." and "Geise".

Lucian D. Geise, Executive Director

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